

## Message Text

LIMITED OFFICIAL USE

PAGE 01 BANGKO 04051 140849 Z

12

ACTION EB-11

INFO OCT-01 EA-11 ADP-00 AID-20 CIAE-00 COME-00 FRB-02

INR-09 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 CIEP-02

LAB-06 SIL-01 SAL-01 OMB-01 ( ADP ) W

----- 049126

R 140418 Z MAR 73

FM AMEMBASSY BANGKOK

TO AMEMBASSY KUALA LUMPUR

AMEMBASSY SINGAPORE

AMEMBASSY JAKARTA

AMEMBASSY MANILA

AMEMBASSY SAIGON

AMEMBASSY COLOMBO

AMEMBASSY TAIPEI

AMEMBASSY SEOUL

INFO SECSTATE WASHDC 1405

LIMITED OFFICIAL USE BANGKOK 4051

E. O. 11652: N/ A

TAGS: ELAB EGEN

SUBJ: GOVERNMENT RESTRICTIONS ON FOREIGN INVESTMENT

SUMMARY: REQUEST INFO CONCERNING RESTRICTIONS ON  
FOREIGN INVESTMENT AND ACTIVITIES BY HOST GOVERNMENTS  
FOR COMPARISON WITH NEW THAI RESTRICTIONS DESCRIBED  
BELOW. END SUMMARY.

1. IN CLOSING DAYS OF NATIONAL EXECUTIVE COUNCIL, NOV.  
AND DEC. 1972, RTG ENACTED ALIEN BUSINESS DECREE ( ABD)  
AND ALIEN OCCUPATION DECREE ( AOD). FORMER ESTABLISHED  
THREE LISTS OF BUSINESS, A, B AND C. ALL ALIEN OWNED  
FIRMS IN ANY ONE OF CATEGORIES LISTED MUST REGISTER.  
FIRMS IN CATEGORY A, INCLUDING ACCOUNTING, ADVERTISING,  
ARCHITECTURE, MUST CONVERT TO THAI CONTROL OR GO OUT OF  
BUSINESS WITHIN TWO YEARS. ALTHOUGH EXCEPTIONS CAN BE  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BANGKO 04051 140849 Z

GRANTED, SALES OR PRODUCTION OF FIRMS IN CATEGORIES B AND C NORMALLY RESTRICTED IN SUCCEEDING YEARS TO 30 PERCENT INCREASE OVER 1972 BASE PER YEAR AND FIRMS MAY NOT BRANCH WITHOUT PERMISSION. NEW FIRMS MAY BE ESTABLISHED ONLY IN CATEGORY C BUT MAY BE SUBJECT TO RESTRICTIONS YET TO BE ISSUED ON PERCENTAGE OF ALIEN PARTICIPATION AND RATIO OF CAPITAL AND LOANS. RESTRICTIONS DESCRIBED ABOVE APPARENTLY WILL NOT BE APPLIED TO FIRMS RECEIVING CERTIFICATES UNDER INDUSTRIAL INVESTMENT PROMOTION ACT.

2. AOD REQUIRES ALL ALIENS TO OBTAIN WORK PERMIT. CERTAIN OCCUPATIONS PROHIBITED FOR ALIENS BUT ROYAL DECREE SPECIFYING THESE OCCUPATIONS NOT YET ISSUED. LIST REPORTEDLY WILL COVER MOSTLY OCCUPATIONS OF NO INTEREST TO FOREIGNERS BUT WILL ALSO INCLUDE LAWYERS, ACCOUNTANTS, ENGINEERS, ARCHITECTS AND ADVERTISING MEN. THOSE ALIENS ALREADY IN COUNTRY WITH RESIDENCE PERMITS ENGAGED IN ONE OF RESTRICTED OCCUPATIONS WILL BE ISSUED WORK PERMITS. EXEMPT FROM AOD ARE DIPLOMATS, EMPLOYEES OF INTERNATIONAL ORGANIZATIONS, ETC. FURTHERMORE, IT WILL NOT APPLY TO PERSONS ENTERING KINGDOM TO PERFORM DUTY FOR RTG OR PERFORMING DUTY UNDER AGREEMENT BETWEEN RTG AND FOREIGN GOVERNMENTS; PERSONS ENTERING ON A TEMPORARY BASIS TO DO WORK OF URGENT NATURE; AND THOSE ENGAGED IN CERTAIN EDUCATIONAL, CULTURAL, ARTISTIC OR SPORTING ACTIVITIES. THOSE ALIENS EMPLOYED BY FIRMS RECEIVING PROMOTIONAL CERTIFICATES WILL RECEIVE WORK PERMITS. FEES ARE 100 BAHT FOR PERMIT ( ABOUT \$5) AND 50 BAHT FOR RENEWAL.

3. EMBASSY HAS BEEN NEGOTIATING WITH RTG ON RELATIONSHIP OF AMITY AND ECONOMIC RELATIONS TREATY, WHICH WENT INTO EFFECT IN JUNE 1968, AND THE TWO DECREES. SO FAR RTG HAS ACKNOWLEDGED US FIRMS MAY RECEIVE " NATIONAL TREATMENT" UNDER THE TREATY. FURTHER CLARIFICATIONS BEING SOUGHT.

4. IBRD ORGANIZED CONSULTATIVE GROUP FOR THAILAND CONVERSE PARIS APRIL 11. ON THAT OCCASION IT IS LIKELY VARIOUS DELEGATIONS WILL RAISE WITH RTG PROBLEMS CAUSED BY ABD AND AOD AND THEIR EFFECT ON INVESTMENT CLIMATE. FOR DISCUSSION THIS SUBJECT WOULD BE VERY USEFUL RECEIVE FROM ADDRESSEE POSTS BY TELEGRAM A SUMMARY OUT-

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 BANGKO 04051 140849 Z

LINE OF ANY RESTRICTIONS HOST GOVERNMENTS HAVE ON ALIEN INVESTMENT AND ACTIVITIES SIMILAR TO THOS DESCRIBED ABOVE WITH MORE COMPLETE INFORMATION TO BE POUCHED. PLEASE COMMENT ON EFFECT OF RESTRICTIONS ON INVESTMENT CLIMATE AND DIFFERENCES IN TREATMENT, IF ANY, OF PROMOTED VERSUS NON- PROMOTED FIRMS. RTG HAS SAID THAI RESTRICTIONS NOT AS EXTENSIVE AS THOSE APPLIED BY OTHER DEVELOPING COUNTIRES.

5. EMBASSY BANGKOK WILL USE INFORMATION COLLECTED TO PREPARE FOR CG MEETING. SUGGEST WASHINGTON AGENCIES MAY WISH PREPARE OUTLINE FOR COMPARATIVE PURPOSES FOR BROADER USE.  
UNGER

LIMITED OFFICIAL USE

\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* LIMITED OFFICIAL USE

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 14 MAR 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973BANGKO04051  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** n/a  
**Errors:** n/a  
**Film Number:** n/a  
**From:** BANGKOK  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1973/newtext/t19730330/aaaahwmg.tel  
**Line Count:** 133  
**Locator:** TEXT ON-LINE  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 20 NOV 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <20-Nov-2001 by kelleyw0>; APPROVED <14-Dec-2001 by golinofr>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** <DBA CORRECTED> wfs 971209  
**Subject:** GOVERNMENT RESTRICTIONS ON FOREIGN INVESTMENT SUMMARY: REQUEST INFO CONCERNING RESTRICTIONS ON FOREIGN INVESTMENT AND ACTIVITIES BY HOST GOVERNMENTS FOR COMPARISON WITH NEW THAI RESTRICTIONS DESCRIBED GOVERNMENT RESTRICTIONS ON FOREIGN INVESTMENT SUMMARY: R  
**TAGS:** EGEN, ELAB, TH  
**To:** AIT TAIPEI  
COLOMBO  
EB  
JAKARTA  
KUALA LUMPUR

MANILA  
SAIGON  
SEOUL  
SINGAPORE  
STATE

**Type:** TE

**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005